



December 29, 2003

Board of Governors of the Federal Reserve System
Jennifer J. Johnson, Secretary
20th Street and Constitution Avenue N.W.
Washington, D.C. 20551

Subject: Docket No. R-1168

Dear Ms. Johnson:

Boeing Employees' Credit Union (BECU) appreciates the opportunity to comment on the proposed amendments to Regulation B to define more specifically the standard for providing "clear and conspicuous" disclosures. BECU is a state-chartered federally insured credit union with assets of \$4.7 billion and a membership base of over 350,000.

We support the goal of ensuring that consumers have a better understanding of these disclosures but in our opinion, we do not believe this would be beneficial to the consumers or lenders. These are our concerns:

The regulations are written in a manner that is not reasonably understandable. Asking lenders to write their disclosures in plain language is asking lenders to do what the regulators themselves could not do. The requirements for plain language, large typeface, wide margins and ample line spacing on all disclosures (ads, application contracts, etc.) will force lenders to revise nearly every loan document and disclosure. In our opinion, we do not believe this creates any benefit for consumers except that it will be less eyestrain for them. The disadvantages to consumers and lenders will include many federal disclosures competing for prominence within documents, contractual terms, state regulation and industry rules being delegated to a secondary position with the potential of being ignored by consumers. Consumers may be overwhelmed and intimidated by the amount of paper or information being provided to them.

In our opinion, lenders face challenges with providing all the required disclosures and contractual terms to consumers in a manner that is as clear as possible while balancing the needs of consumers to deal with fewer documents, less signatures and less follow-up. The greatest percentage of lenders want to ensure all terms and disclosures are provided in a manner that the consumer understands and agrees to, appreciates the relationship and returns to their lender for future lending opportunities. We feel this proposal's purpose may be to address those few lenders who do not practice lending in this manner and who will probably not comply with these rules no matter how they're revised.

A couple examples of why this is unreasonable:

- Our Loan Booklet is already 45 pages long at 8-point font. If we change headers and formatting, this might increase the document by another quarter.
- Our credit agreement has some small font to enable it to be on one legal size document. It will have to go to more pages to comply with the proposal.

Thank you for the opportunity to respond to the proposal. We look forward to the final outcome.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary J. Oakland", with a long horizontal flourish extending to the right.

Gary J. Oakland
President and CEO

Sent without signature to expedite delivery.

Joe Brancucci
Vice President of Lending